

- ① Clear action  
 ② Notify ER -  
 handled by phone  
 (see below)

RECORD OF ORAL RESPONSE

BILLS AND LEGISLATIVE REFERRALS

- ③ File - Gen.  
 Leg.

Date: 21 Apr 83

Office: Senate Governmental Affairs  
 Committee

Person: Marilyn Riney

Subject: \_\_\_\_\_

Bill No.: S. 854

Comment: Told her this Bill does not

apply to any CIA activities -  
she said fine - it was sent to  
us inadvertently. She crossed us off  
her list of agencies -

**EXECUTIVE SECRETARIAT**  
**Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC	✓			
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA		✓ (w/o attach.)		
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
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21					
22					
		<b>SUSPENSE</b> _____ <small>Date</small>			

Remarks:

*JS*  
Executive Secretary  
7/14/83  
Date

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83-2045

## United States Senate

COMMITTEE ON  
GOVERNMENTAL AFFAIRS  
WASHINGTON, D.C. 20510

April 8, 1983



The Honorable William J. Casey  
Director  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Mr. Casey:

The enclosed copy of a bill which has been referred to the Committee on Governmental Affairs is sent for your review and comment. Your views concerning the provisions of this bill and recommendations for possible Committee action would assist us in our study of the measure.

In addition, Senate rules require each Committee to estimate the regulatory and paperwork impact of any legislation it reports. To assist the Committee in complying with this requirement, we would appreciate receiving your Agency's assessment of the possible paperwork and regulatory burdens which might result from the passage of the enclosed legislation.

We would greatly appreciate your providing us with your response within the next 30 days so that we might have it in time for Committee action.

Please address all correspondence to the attention of Marikay Riney, Committee on Governmental Affairs (224-2788).

Thank you for your participation in this effort.

Sincerely,

William V. Roth, Jr.  
Chairman

WVR/mr  
Enclosure S. 854



98TH CONGRESS  
1ST SESSION

# S. 854

To amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs.

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## IN THE SENATE OF THE UNITED STATES

MARCH 18 (legislative day, MARCH 14), 1983

Mr. PERCY (for himself, Mr. HATFIELD, Mr. DOMENICI, Mr. HELMS, and Mr. GORTON) introduced the following bill; which was read twice and referred jointly, pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs with instructions that if one committee reports, the other committee has thirty days of continuous session to report or be discharged

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## A BILL

To amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Federal Lending Program  
4       Control Act of 1981”.

5       SEC. 2. (a) The Congress finds and declares that—

1           (1) Federal loans and loan guarantees are becom-  
2           ing an increasingly important means of providing Gov-  
3           ernment services with the total volume of direct loans  
4           and guaranteed obligations outstanding in 1980 being  
5           58 per centum and 53 per centum higher, respectively,  
6           than in 1976;

7           (2) the total volume of credit in the economy is  
8           finite and limited by the supply of savings, level of in-  
9           terest rates, and Federal monetary policy;

10          (3) Federal credit programs are not costless to the  
11          economy, as they allocate credit to groups and individ-  
12          uals who would otherwise find credit difficult to obtain;

13          (4) while plans for direct and guaranteed loans  
14          under individual Federal credit programs are reviewed  
15          each year, there is no systematic mechanism in either  
16          the Congress or the executive branch for reviewing the  
17          volume of total Federal credit activity, and, therefore,  
18          no systematic way of considering the resource alloca-  
19          tion effects of Federal loans and loan guarantees or the  
20          reasonableness of the total volume; and

21          (5) if the Federal Government is to allocate its  
22          credit resources efficiently and coordinate that alloca-  
23          tion with its fiscal policy and direct expenditures, it  
24          must exercise control over Federal credit activities as  
25          it does over direct spending activities.

1       (b) It is therefore declared to be the policy of the Con-  
2 gress and the purpose of this Act to provide a statutory basis  
3 for a Federal credit program control system by establishing  
4 procedures within the congressional budget process to set  
5 targets and ceilings for the gross amount of direct loans  
6 which the Federal Government may make, and the gross  
7 amount of loan guarantees which the Federal Government  
8 may enter into, during each fiscal year.

9       SEC. 3. (a) Section 202(a) of the Congressional Budget  
10 Act of 1974 is amended by striking out “and (3)” and insert-  
11 ing in lieu thereof “(3) information with respect to direct  
12 loans and guarantees of loan principal, and (4)”.

13       (b) Section 202(f) of such Act is amended by striking out  
14 “and (B)” and inserting in lieu thereof “(B) the levels of  
15 direct loans and guarantees of loan principal, and (C)”.

16       SEC. 4. (a) Section 301(a) of the Congressional Budget  
17 Act of 1974 is amended—

18               (1) by redesignating paragraphs (6) and (7) as  
19 paragraphs (8) and (9), respectively; and

20               (2) by inserting after paragraph (5) the following  
21 new paragraphs:

22               “(6) the appropriate level of total gross obliga-  
23 tions for the principal amount of direct loans and the  
24 appropriate level of total commitments to guarantee  
25 loan principal;

1           “(7) an estimate of gross obligations for the prin-  
2       cipal amount of direct loans and an estimate of com-  
3       mitments to guarantee loan principal for each major  
4       functional category, based on allocations of the appro-  
5       priate level of total gross obligations for the principal  
6       amount of direct loans and the appropriate level of  
7       total commitments to guarantee loan principal;”.

8       (b)(1) Section 301(c)(2) of such Act is amended by strik-  
9       ing out “, and budget outlays resulting therefrom,” and in-  
10      serting in lieu thereof “and budget outlays resulting there-  
11      from, and of the total amounts of gross obligations for the  
12      principal amount of direct loans and commitments to guaran-  
13      tee loan principal,”.

14      (2) Section 301(c) of such Act is further amended by  
15      inserting after “1946.” the following new sentence: “The  
16      Committee on Banking, Finance and Urban Affairs of the  
17      House of Representatives and the Committee on Banking,  
18      Housing, and Urban Affairs of the Senate shall each also  
19      submit to the Committee on the Budget of its House its rec-  
20      ommendations as to the appropriate level of total gross obli-  
21      gations for the principal amount of direct loans and the  
22      appropriate level of total commitments to guarantee loan  
23      principal.”.

24      SEC. 5. (a) Section 302(a) of the Congressional Budget  
25      Act of 1974 is amended—

1           (1) by inserting “and the appropriate levels of  
2       total gross obligations for the principal amount of  
3       direct loans and total commitments to guarantee loan  
4       principal” after “total new budget authority”; and

5           (2) by inserting “or authorizing such obligations  
6       and commitments” after “such new budget authority”.

7       (b) Section 302(b) of such Act is amended—

8           (1) by striking out “and” after the semicolon at  
9       the end of paragraph (1);

10          (2) by redesignating paragraph (2) as paragraph  
11       (3); and

12          (3) by inserting after paragraph (1) the following  
13       new paragraph:

14           “(2) the Committee on Appropriations of each  
15       House shall also, after consulting with the Committee  
16       on Appropriations of the other House, subdivide among  
17       its subcommittees the allocation of gross obligations for  
18       the principal amount of direct loans and of commit-  
19       ments to guarantee loan principal allocated to it in the  
20       joint explanatory statement accompanying the confer-  
21       ence report on such concurrent resolution; and”.

22       SEC. 6. Section 307 of the Congressional Budget Act of  
23       1974 is amended by inserting “, and the appropriate levels of  
24       total gross obligations for the principal amount of direct loans



1 and of total commitments to guarantee loan principal,” after  
2 “new budget authority”.

3 SEC. 7. (a) Section 308(a)(1) of the Congressional  
4 Budget Act of 1974 is amended—

5 (1) by striking out “and” after the semicolon at  
6 the end of subparagraph (B); and

7 (2) by adding after subparagraph (C) the following  
8 new subparagraph:

9 “(D) how the limitations on gross obligations  
10 for the principal amount of direct loans and on  
11 commitments to guarantee loan principal provided  
12 in that bill or resolution compare with the gross  
13 obligations for the principal amount of direct loans  
14 and commitments to guarantee loan principal set  
15 forth in the most recently agreed-to concurrent  
16 resolution on the budget for such fiscal year and  
17 the reports submitted under section 302; and”.

18 (b) Section 308(b) of such Act is amended—

19 (1) by striking out “and” after the semicolon at  
20 the end of paragraph (3);

21 (2) by striking out the period at the end of para-  
22 graph (4) and inserting in lieu thereof “; and”; and

23 (3) by adding after paragraph (4) the following  
24 new paragraph:

1           “(5) an up-to-date tabulation comparing the gross  
2           obligations for the principal amount of direct loans and  
3           the commitments to guarantee loan principal for such  
4           fiscal year in bills or resolutions on which the Congress  
5           has completed action to the gross obligations for the  
6           principal amount of direct loans and the commitments  
7           to guarantee loans set forth in the most recently  
8           agreed-to concurrent resolution on the budget for such  
9           fiscal year and the reports submitted under section  
10          302.”.

11          SEC. 8. (a) Section 309 of the Congressional Budget  
12          Act of 1974 is amended by inserting “or providing limitations  
13          on gross obligations for the principal amount of direct loans  
14          or on commitments to guarantee loan principal for such fiscal  
15          year,” after “such year,” where it first appears in paragraph  
16          (1).

17          (b)(1) The heading of section 309 of such Act is  
18          amended by striking out “AND CERTAIN NEW SPENDING AU-  
19          THORITY” and inserting in lieu thereof “, LIMITING DIRECT  
20          LOANS OR LOAN GUARANTEE COMMITMENTS, OR PROVID-  
21          ING CERTAIN NEW SPENDING AUTHORITY”.

22          (2) The table of contents for such Act is amended (in the  
23          item relating to section 309) by striking out “and certain new  
24          spending authority” and inserting in lieu thereof “, limiting

1 direct loans or loan guarantee commitments, or providing  
2 certain new spending authority”.

3 SEC. 9. Section 310(a) of the Congressional Budget Act  
4 of 1974 is amended—

5 (1) by striking out “or” after the semicolon at the  
6 end of paragraph (3);

7 (2) by redesignating paragraph (4) as paragraph  
8 (5) and (in such paragraph) striking out “and (3)” and  
9 inserting in lieu thereof “(3), and (4)”; and

10 (3) by inserting after paragraph (3) the following  
11 new paragraph:

12 “(4) specify the total amount by which gross obli-  
13 gations for the principal amount of direct loans or com-  
14 mitments to guarantee loan principal are to be changed  
15 and direct the committees having jurisdiction to recom-  
16 mend such change; or”.

17 SEC. 10. (a) Section 311(a) of the Congressional Budget  
18 Act of 1974 is amended—

19 (1) by inserting “increasing the limitations on  
20 total gross obligations for the principal amount of  
21 direct loans or on total commitments to guarantee loan  
22 principal for such fiscal year,” after “effective during  
23 such fiscal year,” in the matter preceding paragraph  
24 (1); and

1           (2) by inserting "would cause the appropriate  
2       level of gross obligations for the principal amount of  
3       direct loans or of commitments to guarantee loan prin-  
4       cipal set forth in such concurrent resolution to be ex-  
5       ceeded," after "exceeded," in the matter following  
6       paragraph (3).

7       (b)(1) The heading of section 311 of such Act is amend-  
8       ed by inserting ", LOAN AND LOAN GUARANTEE COMMIT-  
9       MENTS," after "SPENDING AUTHORITY".

10       (2) The table of contents for such Act is amended (in the  
11       item relating to section 311) by inserting ", loans and loan  
12       guarantee commitments," after "spending authority".

13       SEC. 11. (a) Title IV of the Congressional Budget Act  
14       of 1974 is amended by adding at the end thereof the follow-  
15       ing new section:

16       "LEGISLATION PROVIDING AUTHORITY TO GUARANTEE  
17               THE REPAYMENT OF INDEBTEDNESS

18       "SEC. 405. It shall not be in order in either the House  
19       of Representatives or the Senate to consider any bill or reso-  
20       lution which provides, extends, or enlarges authority to  
21       insure or guarantee the repayment of indebtedness incurred  
22       by another person or government (or any amendment which  
23       provides, extends, or enlarges such authority) unless that bill,  
24       resolution, or amendment also provides that such authority is

1 to be effective for any fiscal year only to such extent or in  
2 such amounts as are provided in appropriation Acts.”.

3 (b) The table of contents for such Act is amended by  
4 adding at the end of the matter relating to title IV the follow-  
5 ing new item:

“Sec. 405. Legislation providing authority to guarantee the repayment of indebted-  
ness.”.

6 SEC. 12. Section 402(a) of the Congressional Budget  
7 Act of 1974 is amended by inserting “or which authorizes  
8 the insurance or guarantee of the repayment of indebtedness  
9 incurred by another person or government for a fiscal year,”  
10 after “for a fiscal year,”.

11 SEC. 13. Section 2 of the Congressional Budget and  
12 Impoundment Control Act of 1974 is amended—

13 (1) by striking out “and” after the semicolon at  
14 the end of paragraph (4);

15 (2) by redesignating paragraph (5) as paragraph  
16 (6); and

17 (3) by inserting after paragraph (4) the following  
18 new paragraph:

19 “(5) to provide for the congressional determination  
20 each year of the appropriate level of gross obligations  
21 for the principal amount of direct loans and of commit-  
22 ments to guarantee loan principal; and”.

1       SEC. 14. Section 3 of the Congressional Budget and  
2 Impoundment Control Act of 1974 is amended by adding at  
3 the end thereof the following new paragraph:

4           “(6) The term ‘direct loan’ means a disbursement  
5 of funds by the United States or any officer or agency  
6 thereof (not in exchange for goods or services) under a  
7 contract which requires the repayment of such funds  
8 with or without interest, and in addition includes—

9           “(A) direct participation in a loan made and  
10 held by another person or government;

11           “(B) the purchase (through secondary market  
12 operations) of a loan made by another person or  
13 government; and

14           “(C) the acquisition of a federally guaranteed  
15 loan made by another person or government, as  
16 collateral or in satisfaction of default or other  
17 guarantee claims.”.

18       SEC. 15. Section 201(d) of the Budget and Accounting  
19 Act, 1921 (31 U.S.C. 11(d)), is amended by striking out  
20 “items enumerated in section 301(a) (1)–(5)” and inserting in  
21 lieu thereof “items enumerated in section 301(a) (1)–(7)”.

22       SEC. 16. Section 201(a) of the Budget and Accounting  
23 Act, 1921 (31 U.S.C. 11(a)), is amended—

24           (1) by striking out “and” after the semicolon at  
25 the end of paragraph (12);

1           (2) by striking out the period at the end of para-  
2           graph (13) and inserting in lieu thereof “; and”; and

3           (3) by adding after paragraph (13) the following  
4           new paragraph:

5           “(14) all essential facts regarding direct lending  
6           by the Government, and guarantees by the Govern-  
7           ment of the repayment of indebtedness incurred by an-  
8           other person or government.”.

9           SEC. 17. The amendments made by this Act shall be  
10          effective with respect to fiscal years beginning on and after  
11          October 1, 1980.

○